

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Keene Analyst: Deborah Barrett Bill Number: AB 2362  
 Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: April 22, 2008  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** State Agencies Provide Certain Notification To Residents Of State When Collecting Personal Information

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE DEPARTMENT CONCERNS stated in the previous analysis of bill as amended April 3, 2008.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED April 3, 2008, STILL APPLIES.
- OTHER – See comments below.

**SUMMARY**

This bill would require state agencies to provide a specific notice to residents of the state when personal information is collected.

**SUMMARY OF AMENDMENTS**

The April 22, 2008, amendments added language making this bill operative only if AB 1779 of the 2007-08, Regular Session is enacted and becomes effective on or before January 1, 2008. The April 22, 2008, amendments did not resolve the "Implementation Considerations" identified in the department's analysis of the bill as amended April 3, 2008. The "Implementation Considerations" and "Fiscal Impact" discussions are restated below for convenience. A new "Technical Consideration" has been identified and is included in the discussion below. The "Effective/Operative Date" and "This Bill" discussions have been revised. The remainder of the department's analysis of the bill as amended April 3, 2008, still applies.

**EFFECTIVE/OPERATIVE DATE**

As an administrative measure, this bill would be effective January 1, 2009, and operative only if AB 1779 of the 2007-08 Regular Session is enacted and becomes effective on or before January 1, 2008.

Board Position:

\_\_\_\_\_ S      \_\_\_\_\_ NA      \_\_\_\_\_ NP  
 \_\_\_\_\_ SA      \_\_\_\_\_ O      \_\_\_\_\_ NAR  
 \_\_\_\_\_ N      \_\_\_\_\_ OUA        X   PENDING

Legislative Director

Date

Brian Putler

5/2/08

## **POSITION**

Pending.

## **THIS BILL**

This bill would require a state agency to provide a notice informing residents of the following when collecting personal information:

- The agency will handle personal information in a secure manner to prevent unauthorized disclosure, and
- The resident will be notified promptly in the event of a breach of security of a system containing personal information.

As specified in the bill language, the provisions of this bill are operative only if AB 1779 of the 2007-08, Regular Session is enacted and becomes effective on or before January 1, 2008.

## **IMPLEMENTATION CONSIDERATIONS**

The bill would require an agency to provide a notice to state residents when collecting personal information. It is unclear whether the author intends one notice to a taxpayer for each item of information collected or whether one notice to a taxpayer will suffice where multiple records are collected. It is recommended that the author clarify whether a one time notice is sufficient for complying with this bill, or whether each incidence of data collection would require a notice to the impacted taxpayers.

## **TECHNICAL CONSIDERATIONS**

The contingent operative language provides that AB 1779 of the 2007-08, Regular Session must be enacted and effective on or before January 1, 2008, for this bill to be operative, which is a date that has already passed. The author may want to change the date to January 1, 2009.

## **FISCAL IMPACT**

Because personal information is collected from multiple sources, FTB would need to provide the notice required under this bill's provisions to approximately 60 million taxpayers. Postage for a one time notice alone could run in excess of \$24.6 million, with additional costs for production and distribution of the notice required under this bill's provisions. A full cost estimate will be developed as this bill moves through the legislative process and the implementation concern is resolved.

## **LEGISLATIVE STAFF CONTACT**

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